

## AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Name (Specify) <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other Dayton Township		County Tuscola	
Audit Date March 31, 2004	Opinion Date May 5, 2004	Date Accountant Report Submitted to State: May 5, 2004	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).

### We have enclosed the following:

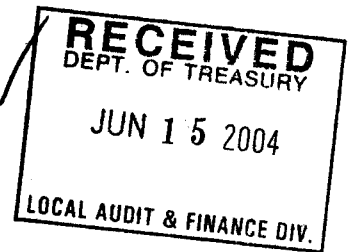
	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) Lehn L. King, C.P.A.			
Street Address 3078 S. Main Street	City Marlette	State MI	ZIP 48453
Accountant Signature Lehn L. King, C.P.A.			

*Township of Dayton*

**Tuscola County, Michigan**

Audited Financial Report  
March 31, 2004



*Lehn L. King*

Certified Public Accountant  
Marlette, Michigan

**Township of Dayton**  
Annual Financial Report  
For The Fiscal Year Ended March 31, 2004

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LEHN L. KING

CERTIFIED PUBLIC ACCOUNTANT

3078 S. MAIN STREET  
MARLETTE, MICHIGAN 48453

Phone 989-635-3113  
Fax 989-635-5580

Members of the Township Board  
Dayton Township  
Tuscola County, Michigan

**Independent Auditor's Report**

I have examined the General Purpose Financial Statements of Dayton Township as of March 31, 2004, and for the year then ended, as listed in the Table of Contents. These financial statements are the responsibility of the Township's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the General Purpose Financial Statement referred to above present fairly, in all material respects, the financial position of Dayton Township, at March 31, 2004, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

The accompanying financial information listed as supporting schedules in the Table of Contents is presented for purposes of additional analysis and is not required part of the General Purpose Financial Statements of Dayton Township. The information has been subjected to the auditing procedures applied in the examination of the General Purpose Financial Statements, in my opinion, is fairly stated in all material respects in relation to the General Purpose Financial Statements taken as a whole.

*Lehn King*

Certified Public Accountant  
May 5, 2004

**Combined Statements -  
Overview**  
(General Purpose Financial Statements)

# Township of Dayton

Combined Balance Sheet  
All Fund Types & Account Group  
March 31, 2004

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Types</u>		<u>Account Groups</u>	<u>Totals (Memorandum Only)</u>
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Current Tax Collection Fund</u>	<u>General Fixed Assets</u>		
<u>Assets</u>						
Cash	\$ 3,977	\$ 0	\$ 4,231	\$ 0	\$ 8,208	
Money Market	306,925	0	0	0	306,925	
Certificate of Deposit	53,131	0	0	0	53,131	
Certificate of Deposit - Designated	24,385	0	0	0	24,385	
Accounts Receivable	0	10,000	0	0	10,000	
Taxes Receivable	10,406	8,488	0	0	18,894	
Due from Other Funds	4,231	81,829	0	0	86,060	
Fixed Assets	0	0	0	59,186	59,186	
Total Assets	\$ 403,055	\$ 100,317	\$ 4,231	\$ 59,186	\$ 566,789	
<u>Liabilities &amp; Fund Equity</u>						
<u>Liabilities</u>						
Accounts Payable	0	7,618	0	0	7,618	
Due to Other Funds	81,829	0	4,231	0	86,060	
Total Liabilities	81,829	7,618	4,231	0	93,678	
<u>Fund Equity</u>						
Fund Balances:						
Investment in General Fixed Assets	0	0	0	59,186	59,186	
Undesignated	296,841	92,699	0	0	389,540	
Designated for Property Acquisition	24,385	0	0	0	24,385	
Total Fund Equity	321,226	92,699	0	59,186	473,111	
Total Liabilities & Fund Equity	\$ 403,055	\$ 100,317	\$ 4,231	\$ 59,186	\$ 566,789	

The notes are an integral part of the statements.

**Township of Dayton**  
Combining Statement of Revenues, Expenditures &  
Changes in Fund Balances - All Governmental Fund Types  
For The Year Ended March 31, 2004

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Totals (Memorandum Only)</u>
<b><u>Revenues</u></b>			
Current Property Taxes	\$ 63,821	\$ 43,757	\$ 107,578
State Shared Revenues	136,381	0	136,381
Licenses, Fees, & Permits	3,111	0	3,111
Charges for Services			
Fire Runs	9,365	0	9,365
Cemetery Services	2,324	0	2,324
Sanitation Removal	0	52,750	52,750
Other Services	1,264	0	1,264
Total Charges for Services	12,953	52,750	65,703
Interest Earnings	6,832	0	6,832
Miscellaneous Revenues	12	0	12
<b><u>Total Revenues</u></b>	<u>\$ 223,110</u>	<u>\$ 96,507</u>	<u>\$ 319,617</u>

The notes are an integral part of the statements.

**Township of Dayton**  
Combining Statement of Revenues, Expenditures &  
Changes in Fund Balances - All Governmental Fund Types  
For The Year Ended March 31, 2004

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Totals (Memorandum Only)</u>
<b><u>Expenditures</u></b>			
Legislative	\$ 4,601	\$ 0	\$ 4,601
Executive	5,915	0	5,915
Clerk	11,922	0	11,922
Board of Review	686	0	686
Treasurer	16,146	0	16,146
Election	1,301	0	1,301
Township Hall & Grounds	9,290	0	9,290
Planning & Zoning	22,510	0	22,510
Highways, Streets & Bridges	0	103,702	103,702
Cemetery	8,985	0	8,985
Public Safety	27,863	0	27,863
Public Works	24,062	0	24,062
Contracted Services	0	79,316	79,316
Other Expenditures	3,813	0	3,813
Capital Outlay	7,302	0	7,302
<b><u>Total Expenditures</u></b>	<u>144,396</u>	<u>183,018</u>	<u>327,414</u>
<b><u>Excess of Revenues Over</u></b>			
<b><u>(Under) Expenditures</u></b>	78,714	(86,511)	(7,797)
<b><u>Other Financing Sources (Uses)</u></b>			
Operating Transfers In (Out)	<u>(68,433)</u>	<u>68,433</u>	<u>0</u>
<b><u>Excess of Revenues &amp; Other Sources</u></b>			
<b><u>Over (Under) Expenditures &amp; Other Uses</u></b>	10,281	(18,078)	(7,797)
<b><u>Fund Balances - April 1, 2003</u></b>	<u>310,945</u>	<u>110,777</u>	<u>421,722</u>
<b><u>Fund Balances - March 31, 2004</u></b>	<u>\$ 321,226</u>	<u>\$ 92,699</u>	<u>\$ 413,925</u>

The notes are an integral part of the statements.



# Township of Dayton

Combining Statement of Revenues, Expenditures &  
Changes in Fund Balances - Actual Compared to Budget  
All Governmental Fund Types - For The Year Then Ended March 31, 2004

	General Fund			Special Revenue Funds		
	Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
<b><u>Revenues</u></b>						
Current Property Taxes	\$ 172,000	\$ 63,821	\$ (108,179)	\$ 39,500	\$ 43,757	\$ 4,257
Licenses, Fees, & Permits	3,250	3,111	(139)	0	0	0
State Shared Revenues	139,000	136,381	(2,619)	0	0	0
Charges for Services	15,200	12,953	(2,247)	78,000	52,750	(25,250)
Interest Earnings	10,000	6,832	(3,168)	0	0	0
Donations	300	0	(300)	0	0	0
Miscellaneous Revenues	50	12	(38)	0	0	0
<b>Total Revenues</b>	<b>\$ 339,800</b>	<b>\$ 223,110</b>	<b>\$ (116,690)</b>	<b>\$ 117,500</b>	<b>\$ 96,507</b>	<b>\$ (20,993)</b>
<b><u>Expenditures</u></b>						
Legislative	\$ 7,750	\$ 4,601	\$ 3,149	0	0	0
Executive	6,375	5,915	460	0	0	0
Clerk	13,875	11,922	1,953	0	0	0
Board of Review	1,050	686	364	0	0	0
Treasurer	17,775	16,146	1,629	0	0	0
Election	2,750	1,301	1,449	0	0	0
Township Hall & Grounds	13,150	9,290	3,860	0	0	0
Planning & Zoning	24,070	22,510	1,560	0	0	0
Highways, Streets & Bridges	0	0	0	119,748	103,702	16,046
Cemetery	12,000	8,985	3,015	0	0	0
Public Safety	28,425	27,863	562	0	0	0
Public Works	25,800	24,062	1,738	0	0	0
Contracted Services	0	0	0	78,000	79,316	(1,316)
Other Expenditures	4,300	3,813	487	0	0	0
Capital Outlay	10,232	7,302	2,930	0	0	0
<b>Total Expenditures</b>	<b>\$ 167,552</b>	<b>\$ 144,396</b>	<b>\$ 23,156</b>	<b>\$ 197,748</b>	<b>\$ 183,018</b>	<b>\$ 14,730</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>172,248</b>	<b>78,714</b>	<b>(93,534)</b>	<b>(80,248)</b>	<b>(86,511)</b>	<b>(6,263)</b>
<b>Other Financing Sources (Uses)</b>						
Operating Transfers In (Out)	(172,248)	(68,433)	103,815	80,248	68,433	(11,815)
<b>Excess of Revenues &amp; Other Sources Over (Under) Expenditures &amp; Other Uses</b>	<b>0</b>	<b>10,281</b>	<b>10,281</b>	<b>0</b>	<b>(18,078)</b>	<b>(18,078)</b>
<b>Fund Balances - April 1, 2003</b>	<b>0</b>	<b>310,945</b>	<b>310,945</b>	<b>0</b>	<b>110,777</b>	<b>110,777</b>
<b>Fund Balances - March 31, 2004</b>	<b>\$ 0</b>	<b>\$ 321,226</b>	<b>\$ 321,226</b>	<b>\$ 0</b>	<b>\$ 92,699</b>	<b>\$ 92,699</b>

The notes are an integral part of the statements.

**Township of Dayton**  
Notes To Financial Statements  
For Year Ended March 31, 2004

The accounting methods and procedures adopted by the Township of Dayton, Tuscola County, Michigan, conform to generally accepted accounting principles as applied to governmental entities. The following notes to the financial statements are an integral part of the Townships Comprehensive Annual Financial Report.

**1. Summary of Significant Accounting Policies**

**Financial Reporting Entity**

The Township was incorporated under the laws of the State of Michigan and operates as a General Law Township, with a Township Board form of government. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Township (the primary government) and its component units. The component units discussed below are included in the Township reporting entity because of the significance of their operational or financial relationships with the Township.

**Component Units** - In accordance with generally accepted accounting principles, there are no component units of Government required to be included in the Financial Reporting Entity either as blended component units or discretely presented component units.

**Basis of Presentation - Fund Accounting** - The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The Township has created several types of funds and a number of discrete funds within each fund type. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures/expenses. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions.

The funds are grouped into fund types and generic funds as described below:

**Governmental Fund Types** - These are the funds through which most governmental functions typically are financed. The funds included in this category are as follows:

**General Fund:** This fund is established to account for resources devoted to financing the general services that the Township performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the Township are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

**Special Revenue funds:** The Special Revenue Funds are used to account for the proceeds of specific revenue resources (other than assessments or expendable trusts) that are legally restricted to expenditures for specified purposes. These funds include: Road Fund and Garbage Fund.

**Fiduciary Fund Types** - These funds account for assets held by the Township as a trustee or agent for individuals, private organization, and other units of governments. These funds are as follows:

**Expendable Trust and Agency Fund:** This fund, used to account for assets held in trust of as an agent for others, includes the Tax (property) Collection Fund.

**Account Groups** - In addition to the broad types of governmental funds, the Township also maintains one account group as described below:

**General Fixed Assets Account Group:** This is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes.

**Basis of Accounting** - Basis of accounting refers to when revenues and expenditures or expenses are recognized in the

**Township of Dayton**  
Notes To Financial Statements  
For Year Ended March 31, 2004

accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The General Fund and Special Revenue Fund use a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. The Agency Fund also uses the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

**Budgetary Data** - The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to April 1, the Township Clerk submits to the Township Board a proposed operating budget for the fiscal year commencing April 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior April 1, the budget is legally enacted.
4. The budget is used by the Township Board as a management tool during the year for all budgetary funds. The budgets are adopted on a cash basis which is not consistent with generally accepted accounting principles. Budgetary control is exercised at the departmental level.
5. Budget amounts are as originally adopted, or as amended by the Township Board. Individual amendments were not material in relation to the original appropriations which were amended.

**Cash** - The Township does not pool cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the Township's investments.

**Investments** - Debt securities are valued at cost since it is generally the policy of the Township to hold such investments until they mature.

**Due To and Due From Other Funds** - Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

**Other Assets** - Other assets held are recorded and accounted for at cost.

**Fund Equity** - The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The reserved fund balances for governmental funds represent the amount that has been legally identified for specific purposes.

**Revenues and Expenditures/Expenses** - Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees, and nontax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred.

**Property Tax Revenues** - Property taxes are levied on December 1 based on the assessed value of property as listed on the previous December 31. Assessed values are an approximation of market value. A revaluation of all real property must be made every year.

Property taxes are recognized as revenue when they are levied because they are considered to be both measurable and available. Proper allowances are made for estimated uncollectible accounts and delinquent accounts.

**Vacation, Sick Leave, and Other Compensated Absences** - The Township does not have any contracts or agreements with its employees or elected officials which require the payment of compensation during absence from duty nor do any

**Township of Dayton**  
Notes To Financial Statements  
For Year Ended March 31, 2004

such benefits vest to the right of the employee or elected official.

**Total Columns** - The Combined Financial Statements include total columns that are described as memoranda only. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Interfund transactions have not been eliminated from the total column of each financial statement.

## 2. Stewardship, Compliance, and Accountability

Michigan Compiled Laws, Section 129.91, authorizes the Local Unit to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

## 3. Cash and Investments

The Governmental Accounting Standards Board Statement No. 3, risk disclosures for the Local Unit's cash deposits are as follows:

	<u>Carrying Amount</u>	<u>Bank Balances</u>
Insured (FDIC)	\$ 392,649	\$ 392,649
Uninsured and Uncollateralized	<u>0</u>	<u>0</u>
Total Deposits	<u>\$ 392,649</u>	<u>\$ 392,649</u>

All cash deposits and investments of the Township are held by the Township in the Township's name.

The GASB Statement 3 risk disclosures for the Local Unit's investments are as follows:

Investment Type	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>Carrying Amount</u>	<u>Market Value</u>
Risk Categorized		NONE			
Operating Funds					
US Treasury Bonds					
Investment in Deferred					
Compensation Plans					
Total Risk-Categorized					
Investments					

The cash and investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

**Township of Dayton**  
Notes To Financial Statements  
For Year Ended March 31, 2004

Category 1	Insured or registered, or securities held by the Township or its agent in the Township's name.
Category 2	Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Township's name.
Category 3	Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Township's name.

**4. Property Taxes**

The Township is responsible for assessing, collecting, and distributing property taxes in accordance with enabling state legislation. Property taxes become a lien on the first day of December of the levy year and may be paid by the following February 14.

Property taxes are not recognized in compliance with NCGAI-3 which states that such revenue is recorded when it becomes measurable and available. Property taxes are recorded as revenue when collected.

The Township levied the following taxes:

General Government Services/Roads	<u>2.2856</u> mills
Garbage Assessment	<u>\$50</u> per occupied parcel

**5. Due To and Due From Funds**

As of March 31, 2004, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>Due From Funds</u>		<u>Due To Funds</u>
General Fund	\$ 4,231	Current Tax Collection Fund	\$ 4,231
Garbage Fund	<u>81,829</u>	General Fund	<u>81,829</u>
Total	<u>\$ 86,060</u>		<u>\$ 86,060</u>

**6. Deficit Fund Balance or Retained Earnings Balances of Individual Funds**

None

**7. Comparative Data**

Comparative total data for the prior year has not been presented.

**8. Excess of Expenditures over Appropriations in Budgetary Funds**

P.A. 621 of 1978, section 18 (1), as amended, provides that a local unit shall not incur expenditures in excess of the amount

**Township of Dayton**  
Notes To Financial Statements  
For Year Ended March 31, 2004

appropriated.

In the body of the financial statements, the Township actual expenditures and budgeted expenditures for the budgetary funds have been shown on an activity basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level.

During the year ended March 31, 2004, the Township incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

	<u>Total Appropriations</u>	<u>Amount of Expenditures</u>	<u>Budget Variance</u>
<b>Garbage Fund</b>			
Sanitation	\$ 78,000	\$ 79,316	\$ 1,316

**9. Post Employment Benefits**

The Township does not provide any post employment benefits.

**10. Operating Transfers**

During the year ended March 31, 2004 the Township's interfund transfers were as follows:

	<u>Operating Transfers In</u>		<u>Operating Transfers Out</u>
Road Fund	\$ 68,433	General Fund	\$ 68,433

**11. Property, Plant, and Equipment**

Activity for general fixed assets that are capitalized by the Township is summarized below:

<u>Assets</u>	<u>Balance April 1, 2003</u>	<u>Addition</u>	<u>Deduction</u>	<u>Balance March 31, 2004</u>
Land	\$ 2,000	\$ 7,302	\$ 0	\$ 9,302
Buildings	30,000	0	0	30,000
Equipment	19,884	0	0	19,884
<b>Total</b>	<u>\$ 51,884</u>	<u>\$ 7,302</u>	<u>\$ 0</u>	<u>\$ 59,186</u>

**12. Risk Management**

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical and workman's compensation benefits provided to employees. The Township has purchased commercial insurance for the various risks of loss stated above.

Settled claims for the commercial insurance have not exceeded the amount of coverage in any of the past three years. There was no reduction in coverage's obtained through commercial insurance during the past year.

## **Supporting Schedules**

**Township of Dayton**  
Statement of Revenues, Expenditures  
And Changes in Fund Balance  
Actual Compared To Budget - General Fund  
For Year Ended March 31, 2004

	<b>General Fund</b>		
	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b><u>Revenues</u></b>			
Current Property Taxes	\$ 172,000	\$ 63,821	\$ (108,179)
Licenses, Fees & Permits	3,250	3,111	(139)
State Shared Revenue	139,000	136,381	(2,619)
Fire Services	9,000	9,365	365
Cemetery Services	6,000	2,324	(3,676)
Other Services	200	1,264	1,064
Interest Earned	10,000	6,832	(3,168)
Donations	300	0	(300)
Refunds	50	12	(38)
<b><u>Total Revenues</u></b>	<b><u>339,800</u></b>	<b><u>223,110</u></b>	<b><u>(116,690)</u></b>
<b><u>Expenditures</u></b>			
Legislative			
Salaries & Wages - Township Board	2,930	2,900	30
Auditing & Legal Fees	3,089	0	3,089
Dues	920	919	1
Supplies	661	660	1
Education & Training	150	122	28
<b>Total Legislative</b>	<b><u>7,750</u></b>	<b><u>4,601</u></b>	<b><u>3,149</u></b>
Executive			
Salaries & Wages	5,800	5,794	6
Office Supplies & Expenses	575	121	454
<b>Total Executive</b>	<b><u>6,375</u></b>	<b><u>5,915</u></b>	<b><u>460</u></b>
Clerk			
Salaries & Wages	10,000	9,977	23
Office Supplies & Expenses	3,875	1,945	1,930
<b>Total Clerk</b>	<b><u>13,875</u></b>	<b><u>11,922</u></b>	<b><u>1,953</u></b>
Board of Review			
Salaries & Wages	750	540	210
Office Supplies & Expenses	300	146	154
<b>Total Board of Review</b>	<b><u>1,050</u></b>	<b><u>686</u></b>	<b><u>364</u></b>
Treasurer			
Salaries & Wages	10,000	9,977	23
Office Supplies & Expenses	7,775	6,169	1,606
<b>Total Treasurer</b>	<b><u>17,775</u></b>	<b><u>16,146</u></b>	<b><u>1,629</u></b>
Election			
Salaries & Wages	1,500	536	964



**Township of Dayton**  
Statement of Revenues, Expenditures  
And Changes in Fund Balance  
Actual Compared To Budget - General Fund  
For Year Ended March 31, 2004

	<b>General Fund</b>		
	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
Office Supplies & Expenses	1,250	765	485
Total Election	2,750	1,301	1,449
Township Hall & Grounds			
Insurance	5,000	4,531	469
Utilities	1,150	772	378
Supplies	3,000	192	2,808
Contracted Services	4,000	3,795	205
Total Township Hall & Grounds	13,150	9,290	3,860
Planning & Zoning			
Salaries & Wages	19,815	19,509	306
Office Supplies & Expenses	4,255	3,001	1,254
Total Planning & Zoning	24,070	22,510	1,560
Cemetery			
Salaries & Wages	1,100	1,100	0
Contracted Services & Supplies	10,900	7,885	3,015
Total Cemetery	12,000	8,985	3,015
Public Safety			
Contracted Services - Fire & Ambulance	28,025	27,463	562
Narcotics	400	400	0
Total Public Safety	28,425	27,863	562
Public Works			
Street Lighting	800	570	230
Drains at Large	25,000	23,492	1,508
Total Public Works	25,800	24,062	1,738
Other Expenditures - FICA	4,300	3,813	487
Capital Outlay	10,232	7,302	2,930
<b>Total Expenditures</b>	<b>167,552</b>	<b>144,396</b>	<b>23,156</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>172,248</b>	<b>78,714</b>	<b>(93,534)</b>
<b>Other Financing Sources (Uses)</b>			
Operating Transfers In (Out)	(172,248)	(68,433)	(240,681)
<b>Excess of Revenues &amp; Other Sources Over (Under) Expenditures &amp; Other Uses</b>	<b>0</b>	<b>10,281</b>	<b>10,281</b>
<b>Fund Balance - April 1, 2003</b>	<b>0</b>	<b>310,945</b>	<b>310,945</b>
<b>Fund Balance - March 31, 2004</b>	<b>\$ 0</b>	<b>\$ 321,226</b>	<b>\$ 321,226</b>

## Township of Dayton

Special Revenue Funds  
Combining Balance Sheet  
March 31, 2004

	<u>Road Fund</u>	<u>Garbage Fund</u>	<u>Totals March 31, 2004</u>
<b><u>Assets</u></b>			
Taxes Receivable	\$ 8,488	\$ 0	\$ 8,488
Due From General Fund	0	81,829	81,829
Accounts Receivable	<u>0</u>	<u>10,000</u>	<u>10,000</u>
<b><u>Total Assets</u></b>	<b><u>\$ 8,488</u></b>	<b><u>\$ 91,829</u></b>	<b><u>\$ 100,317</u></b>
<b><u>Liabilities &amp; Fund Equity</u></b>			
<b><u>Liabilities</u></b>			
Accounts Payable	<u>\$ 0</u>	<u>\$ 7,618</u>	<u>\$ 7,618</u>
<b><u>Total Liabilities</u></b>	<b><u>0</u></b>	<b><u>7,618</u></b>	<b><u>7,618</u></b>
<b><u>Fund Equity</u></b>			
Fund Balances:			
Unreserved - Undesignated	<u>8,488</u>	<u>84,211</u>	<u>92,699</u>
<b><u>Total Fund Equity</u></b>	<b><u>8,488</u></b>	<b><u>84,211</u></b>	<b><u>92,699</u></b>
<b><u>Total Liabilities &amp; Fund Equity</u></b>	<b><u>\$ 8,488</u></b>	<b><u>\$ 91,829</u></b>	<b><u>\$ 100,317</u></b>

**Township of Dayton**  
Special Revenue Funds  
Combining Statement of Revenues, Expenditures &  
Changes in Fund Balance  
For The Year Then Ended March 31, 2004

	<u>Road Fund</u>	<u>Garbage Fund</u>	<u>Totals March 31, 2004</u>
<b><u>Revenues</u></b>			
Current Property Taxes	\$ 43,757	\$ 0	\$ 43,757
Charges for Services	<u>0</u>	<u>52,750</u>	<u>52,750</u>
<b><u>Total Revenues</u></b>	<u>43,757</u>	<u>52,750</u>	<u>96,507</u>
<b><u>Expenditures</u></b>			
Highways, Streets, & Bridges	103,702	0	103,702
Sanitation	<u>0</u>	<u>79,316</u>	<u>79,316</u>
<b><u>Total Expenditures</u></b>	<u>103,702</u>	<u>79,316</u>	<u>183,018</u>
<b><u>Excess of Revenues Over (Under) Expenditures</u></b>	(59,945)	(26,566)	(86,511)
<b><u>Other Financing Sources (Uses)</u></b>			
Operating Transfers In (Out)	<u>68,433</u>	<u>0</u>	<u>68,433</u>
<b><u>Excess of Revenues &amp; Other Sources Over (Under) Expenditures &amp; Other Uses</u></b>	8,488	(26,566)	(18,078)
<b><u>Fund Balances - April 1, 2003</u></b>	<u>0</u>	<u>110,777</u>	<u>110,777</u>
<b><u>Fund Balances - March 31, 2004</u></b>	<u>\$ 8,488</u>	<u>\$ 84,211</u>	<u>\$ 92,699</u>

**Township of Dayton**  
Garbage Fund  
Statement of Revenues, Expenditures &  
Changes in Fund Balance  
Actual Compared to Budget  
For The Year Then Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b><u>Revenues</u></b>			
Charges for Services	\$ 78,000	\$ 52,750	\$ (25,250)
<b><u>Total Revenues</u></b>	<u>78,000</u>	<u>52,750</u>	<u>(25,250)</u>
<b><u>Expenditures</u></b>			
Sanitation	<u>78,000</u>	<u>79,316</u>	<u>(1,316)</u>
<b><u>Total Expenditures</u></b>	<u>78,000</u>	<u>79,316</u>	<u>(1,316)</u>
<b><u>Excess of Revenues Over (Under) Expenditures</u></b>	0	(26,566)	(26,566)
<b><u>Other Financing Sources (Uses)</u></b>			
Operating Transfers In (Out)	<u>0</u>	<u>0</u>	<u>0</u>
<b><u>Excess of Revenues &amp; Other Sources Over (Under) Expenditures &amp; Other Uses</u></b>	0	(26,566)	(26,566)
<b><u>Fund Balances - April 1, 2003</u></b>	<u>0</u>	<u>110,777</u>	<u>110,777</u>
<b><u>Fund Balances - March 31, 2004</u></b>	<u>\$ 0</u>	<u>\$ 84,211</u>	<u>\$ 84,211</u>

**Township of Dayton**  
Road Fund  
Statement of Revenues, Expenditures &  
Changes in Fund Balance  
Actual Compared to Budget  
For The Year Then Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b><u>Revenues</u></b>			
Current Property Taxes	\$ 39,500	\$ 43,757	\$ 4,257
<b><u>Total Revenues</u></b>	<u>39,500</u>	<u>43,757</u>	<u>4,257</u>
<b><u>Expenditures</u></b>			
Contracted Services	<u>119,748</u>	<u>103,702</u>	<u>16,046</u>
<b><u>Total Expenditures</u></b>	<u>119,748</u>	<u>103,702</u>	<u>16,046</u>
<b><u>Excess of Revenues Over (Under) Expenditures</u></b>	(80,248)	(59,945)	20,303
<b><u>Other Financing Sources (Uses)</u></b>			
Operating Transfers In (Out)	<u>80,248</u>	<u>68,433</u>	<u>0</u>
<b><u>Excess of Revenues &amp; Other Sources Over (Under) Expenditures &amp; Other Uses</u></b>	0	8,488	8,488
<b><u>Fund Balances - April 1, 2003</u></b>	<u>0</u>	<u>0</u>	<u>0</u>
<b><u>Fund Balances - March 31, 2004</u></b>	<u>\$ 0</u>	<u>\$ 8,488</u>	<u>\$ 8,488</u>

May 5, 2004

Members of the Township Board  
Dayton Township  
Tuscola County, Michigan

In accordance with your request, I have made an examination of the financial statements of Dayton Township for the fiscal year ended March 31, 2004. During the course of my examination the following items have come to my attention.

1. The Minutes need to be signed by the Clerk at the time they are approved at the following meeting.
2. All paid bills must be approved for payment in the Minutes. Thus, one should be able to trace paid bills to the Minutes. To do this, one must either put a listing of bills in the Minutes or identify them in such a manner as, "Paid bills in the amount of \$(Amount) from Check #\_\_\_\_\_ to Check #\_\_\_\_\_."
3. Amendments to the budget must be detailed as to the increase and decrease amount of each line item being changed.

I thank Township officials and employees for the cooperation I received in the completion of this examination.

If I can be of any assistance or should any questions arise, please contact me.

Sincerely,

*Lehn King*

Lehn L. King  
Certified Public Accountant